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# A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 237D-6.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) Revenues collected under this chapter, except for  
4 revenues collected under section 237D-2(b), shall be distributed  
5 as follows [~~with the excess revenues to be deposited into the~~  
6 ~~general fund~~]:

7           (1) 17.3 per cent of the revenues collected under this  
8 chapter shall be deposited into the convention center  
9 enterprise special fund established under section  
10 201B-8; provided that beginning January 1, 2002, if  
11 the amount of the revenue collected under this  
12 paragraph exceeds \$33,000,000 in any calendar year,  
13 revenues collected in excess of \$33,000,000 shall be  
14 deposited into the general fund;

15           (2) 34.2 per cent of the revenues collected under this  
16 chapter shall be deposited into the tourism special  
17 fund established under section 201B-11 for tourism  
18 promotion and visitor industry research; provided that



1 beginning on July 1, 2002, of the first \$1,000,000 in  
2 revenues deposited:

3 (A) Ninety per cent shall be deposited into the state  
4 parks special fund established in section 184-  
5 3.4; and

6 (B) Ten per cent shall be deposited into the special  
7 land and development fund established in section  
8 171-19 for the Hawaii statewide trail and access  
9 program;

10 provided that of the 34.2 per cent, 0.5 per cent shall  
11 be transferred to a sub-account in the tourism special  
12 fund to provide funding for a safety and security  
13 budget, in accordance with the Hawaii tourism  
14 strategic plan 2005-2015; provided further that of the  
15 revenues remaining in the tourism special fund after  
16 revenues have been deposited as provided in this  
17 paragraph and except for any sum authorized by the  
18 legislature for expenditure from revenues subject to  
19 this paragraph, beginning July 1, 2007, funds shall be  
20 deposited into the tourism emergency trust fund,  
21 established in section 201B-10, in a manner sufficient



1 to maintain a fund balance of \$5,000,000 in the  
2 tourism emergency trust fund; [and]  
3 (3) 44.8 per cent of the revenues collected under this  
4 chapter shall be transferred as follows: Kauai county  
5 shall receive 14.5 per cent, Hawaii county shall  
6 receive 18.6 per cent, city and county of Honolulu  
7 shall receive 44.1 per cent, and Maui county shall  
8 receive 22.8 per cent[-]; and  
9 (4) Of the revenues:  
10 (A) Remaining after the allocations are made under  
11 paragraphs (1) to (3); and  
12 (B) Including the revenues derived under section  
13 237D-2(b);  
14 ninety-six per cent of the revenues shall be deposited  
15 into the general fund and four per cent shall be  
16 allocated to the department of business, economic  
17 development, and tourism to be expended for the  
18 department's operating budget; provided that the four  
19 per cent allocation does not exceed \$12,000,000  
20 annually, in which case any moneys in excess of the  
21 \$12,000,000 shall be deposited into the general fund.



1       ~~[Revenues collected under section 237D-2(b) shall be~~  
2 ~~deposited into the general fund.]~~ All transient accommodations  
3 taxes shall be paid into the state treasury each month within  
4 ten days after collection and shall be kept by the state  
5 director of finance in special accounts for distribution as  
6 provided in this subsection."

7       SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9       SECTION 3. This Act, shall take effect on July 1, 2112,  
10 and apply to taxable years beginning after December 31, 2010;  
11 provided that the amendments made to section 237D-6.5, Hawaii  
12 Revised Statutes, by section 1 shall not be repealed on June 30,  
13 2015, when that section is repealed and reenacted in accordance  
14 with Act 61, Session Laws of Hawaii 2009.



**Report Title:**

Transient Accommodations Tax; General Fund; DBEDT

**Description:**

Allocates a portion of the tax revenues from the transient accommodations tax that are deposited into the general fund to the Department of Business, Economic Development, and Tourism for the department's operations. Effective July 1, 2112.

(HB1285 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

